

Message Text

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ORIGIN EUR-08

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FM SECSTATE WASHDC

TO AMCONSUL BARCELONA IMMEDIATE

UNCLAS STATE 203137

E.O. 11652: N/A

TAGS: OREP (ALBERT, CARL) SP

SUBJECT: CODEL ALBERT: AGRICULTURAL ITEMS OF INTEREST

PLEASE DELIVER U.S. CONGRESSMAN THOMAS S. FOLEY (CODEL ALBERT) FROM BRANDT/ROBINSON

1. FOURTH U.S. COURT OF APPEALS UPHELD ON AUG 22 LOWER COURT RULING THAT TREES MUST BE FULLY MATURE OR DEAD BEFORE SOLD TO PRIVATE INDUSTRY, AND MUST BE MARKED AS SUCH BY FOREST SERVICE PRIOR TO BEING CUT.

REACTIONS:

A. "POST" CALLED DECISION "LANDMARK VICTORY FOR CONSERVATIONISTS."

B. GEORGE LEONARD, ASST. DIRECTOR OF TIMBER MANAGEMENT, U.S. FOREST SERVICE, QUOTED AS SAYING: "IT WILL RESULT IN VERY, VERY SUBSTANTIAL REDUCTIONS IN THE SUPPLY OF NATIONAL FOREST TIMBER."

C. JUDGE JOHN FIELD SPEAKING FOR THE THREE JUDGE PANEL SAID: "THE HEART OF THE CONTROVERSY IS THE CHANGE IN THE ROLE OF THE FOREST SERVICE OVER THE PAST THIRTY YEARS." COURT RULING ADDITIONALLY STATES THAT THE PROPER PLACE TO RESOLVE THIS ISSUE IS NOT IN THE COURTS, BUT IN CONGRESS.

2. JOE KRAFT IN WEEKEND COLUMN LATEST TO BLAME FOOD AND UNCLASSIFIED

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FUEL INFLATION RESURGENCE. "TRUE AGENTS PRESENT INFLATION ARE FOOD AND ENERGY COSTS...BUT ON THEM THE FORD ADMINISTRATION CATER TO POLITICAL CLIENTS IN OIL COMPANIES AND ON THE FARMS." KRAFT ACCUSED ADMINISTRATION OF WORKING TO PUSH PRICES UP INSTEAD OF HOLDING THEM DOWN AND CHARGED BUTZ OF "PRACTICALLY COACHING RUSSIANS ON HOW TO MAXIMIZE GRAIN PURCHASES IN THIS COUNTRY."

3. IN MAJOR EDITORIAL AUG 26 "POST" SAW RECENT SURGE OF INFLATION AS SEVERE REVERSAL ADMINISTRATION ECONOMIC POLICY. SAW AS "MOST STARTLING", BUT EXPECTED, RISE IN FOOD AND FUEL COSTS. POINTING OUT THAT FOOD AND FUEL PRICES NOT PARTICULARLY RESPONSIVE TO FED RESERVE POLICIES, "POST" SAW AGRICULTURE, WITH PRESENT PATTERN INSTABILITY, AS POWERFUL FORCE FOR INFLATION. UNDISCIPLINED SOVIET PURCHASES AND GENERAL MARKET UNCERTAINTY WILL EFFECT SUPERMARKET PRICES FAR INTO FUTURE. ON OIL, "POST" ENDORSED DECONTROL, BUT GRADUALLY, AND FAULTED HOUSE OF REPRESENTATIVES FOR "MISTAKE OF ENORMOUS PROPORTIONS." WHEN IT REJECTED COMPROMISE PHASING OUT CONTROLS OVER NEXT 39 MONTHS, CONCLUDED, FED RESERVE WOULD BE WANTON TO ENCOURAGE FURTHER RISE IN INTEREST RATES NOW, REMEDIES NEED TO BE DIRECTED SPECIFICALLY AT FOOD AND FUEL.

MONDAY AUG. 25 PRICE MARKET

- AUG 25 AUG 22 8/25/74

WHEAT NO. 2 HARD KC	4.41	4.43	4.28
WHEAT NO. 2 SOFT RED	4.11	4.17	4.26
CORN NO. 2 YELLOW CHI	3.20	3.19	3.63
SOYBEANS NO. 1 CHI	6.00	6.07	7.42

MONDAY AUG 25 CHICAGO FUTURES WHEAT

- CLOSE HIGH SEASON

SEPT.	4.41-4.40	5.12	2.98
DEC.	4.60-4.59	5.23	3.07
MAR.	4.73-4.72	4.79	3.16
JULY	4.52	4.64	3.52

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PRICES OPENED HIGHER BUT FELL IN LIGHT TRADING. LATE RALLY PROMPTED BY NEWS REPORTS THAT REPORTED BUTZ AS SAYING U.S. COULD SELL 10 MILLION MORE TONS TO SOVIETS WITHOUT SERIOUSLY AFFECTING FOOD PRICES. WSJ AUG 26 COMMODITY COLUMN FOCUSED ON SUGAR WITH THRUST THAT UNLESS SOME AS YET UNFORESEEN DISASTER STRIKES, RUNAWAY SUGAR PRICES UNLIKELY. FOLLOWING FACTORS CITED:

1. SUGAR BUYING FOR CANNING PASSED

2. SOVIET CROP NOT AS BADLY DAMAGED AS EXPECTED

3. EUROPEAN OUTPUT MAY TOTAL 30.5 MILLION TONS 26
PERCENT MORE THAN

4. ARGENTINA, AUSTRALIA ANTICIPATE RECORD CROPS OFF-
SETTING BRAZILIAN DECLINE.

5. CONSUMER RESISTANCE.

OCT. 75 CONTRACT CLOSED 16.90-17.05 A POUND. NOV. '74
CONTRACT .66.

4. FARM BUREAU FILED SECONDARY BOYCOTT CHARGES AGAINST
ILA AND ITS TEXAS LOCALS IN CHICAGO. CHARGES FILED
BEFORE NLRB WHICH SAID IT WILL INVESTIGATE AND IF FOUND
TRUE PRESS FOR INJUNCTION. GENERAL THRUST RECENT PUBLIC
COMMENTS BY ADMINISTRATION OFFICIALS INDICATE EFFORTS
CONTINUE TO ACHIEVE COMPROMISE ON ILA/MARITIME ISSUES,
PARTICULARLY UPWARD REVISION SHARE OF BOTTOMS FOR U.S.
FLAGS. ATMOSPHERE SEEMS ONE OF "IT WILL BE WORKED OUT"
COURT ORDER BEING ADHERED TO BY ILA. INGERSOLL

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